[Sri. A. J. John]

## Reorganisation and integration of services

71. Government realise the vital importance of a contended and efficient civil service. They have already granted to the permanent staff in the lower grade a pay of Rs. 20 and a dearness allowance of Rs. 20. The scale of pay of Rs. 25-1-30 will be replaced by Rs. 30-3-45. Certain concessions like leave and holidays now available only to officers in the permanent establishments will be extended to those in non-permanent establishments also. It is also proposed to give the salary scales fixed in the reorganisation scheme with effect from 1st April 1951. Thereafter the question of rationalising the pay scales with a view to removing anomalies will receive the due consideration of Government.

## Contingency Fund

72. A Contingency Fund was established in the course of this financial year for the purpose of meeting unforeseen and unavoidable expenditure of an urgent character for which no provision is made in the Budget. As the rules for the withdrawal of moneys from the Fund have not been finalised. no advances were made from it.

## Public Debt

73. The total outstanding public debt at the close of this financial year is Rs. 795·98 lakhs. Out of this the Government of India will take over the responsibility for liquidating a total debt of Rs. 130 lakhs in accordance with the agreement of federal financial integration. Our remaining public debt is only Rs. 665·98 lakhs which works out to about 45 per cent of our annual revenue. There is already a balance of Rs. 173·25 lakhs in the Sinking Fund Investment Account and a provision of Rs. 92·17 lakhs has been included in the next year's budget for investment under this head. Our 3 per cent. loan of Rs. 3 crores will mature for repayment between 1952 and 1954. The provision under Sinking Fund Investment Account will be sufficient to discharge this liability at the appropriate time. On the whole our debt position is quite sound.

## Ways and Means

74. The accounts for the year ended 31st March 1950 closed with a cash balance of Rs. 303·19 lakhs. Transactions of the Government in the current year under revenue, debt and capital accounts together are expected to result in a net addition of Rs. 17·56 lakhs. Thus, the current year will close with a cash balance of Rs. 317·75 lakhs. According to the budget estimate now presented, our receipts under revenue, debt and other items are considered ample for meeting our ordinary and capital expenditure, including debt transactions, leaving a net cash balance of Rs. 135·49 lakhs at the end of the year. If the above anticipations are fully realised, it will not be necessary for this Government to approach the open market for any public loan.

75. Due to the changes adopted in the budgetary procedure of the State for the next year, and the finalisation of the figures relating to revenue gap and apportionment of assets and liabilities between this Government and the Government of India consequent on federal financial integration, the preparation of the budget this year has been a particularly difficult and laborious task. All the heads of departments extended their whole-hearted co-operation for the successful completion of this work. I should particularly mention in this connection that the Finance Secretary to Government and his assistants, worked with untiring zeal and enthusiasm to complete the preparation of the budget in time.

Sir, I have done. I have attempted to give the House a faithful and accurate account of the Government's endeavours and intentions to serve the people of the State and promote their well-being and prosperity. The Budget presented to you

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